

Appropriations Committee of the Connecticut General Assembly

March 4, 2011 Testimony of John Dunne, Corporation for Supportive Housing

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Good evening Senator Harp, and Rep. Walker and Members of the Committee, and thank you for this opportunity to testify today. My name is John Dunne, and I am Senior Program Manager for the Corporation for Supportive Housing's Connecticut Program.

CSH is a national nonprofit who for the past 20 years has partnered with government, nonprofit providers, private philanthropy and advocates, to help communities create affordable housing linked with services as a cost-effective and permanent solution to long term homelessness.

I am here to ask for your support for the Governor's Budget request for \$1.5 million in each year of the biennium to provide rental subsidies to 150 homeless individuals with special needs.

CT has been a national leader in supportive housing and we have the kind of public investment and interagency collaboration that is the envy of other states. Connecticut has won awards for its collaborative interagency approach to supportive housing from NCSHA and the Innovations in American Government Award from Ash Institute at the Kennedy School of Government at Harvard University. We would like to thank you Senator, especially for supporting our efforts to restore funding for supportive housing last year and for giving us this opportunity to discuss the next two years today.

We are encouraged by the Governor's proposal to create 150 units of new supportive housing through his budget. The capital funding is a critical element in providing investment and employment in construction. But just as critical is the administration's proposal to provide \$1.5 million in rental subsidies so that this housing can be affordable to the recently homeless and our most vulnerable citizens.

At a time when many other states are responding to huge budget deficits by cutting spending on social programs, CSH applauds the State of CT for recognizing that supportive housing is not only a proven solution to homelessness but that it is also an investment in our state's infrastructure through the creation of housing, an investment in our economy by creating jobs and a means of shifting our spending away from costly crisis services and institutions that are not effective in meeting the complex needs of this vulnerable people.

We know that supportive housing works in not only saves lives but also in saving the state money. Supportive housing is a proven cost-effective means to help our most vulnerable individuals and families move from homelessness to permanent housing, strengthen communities, and reduce the

use of costly public services like hospital and prisons. Studies have shown that supportive housing can:

- Reduce hospitalizations and Medicaid-funded services by between 27% and 77%
- Reduce incarceration by more than 50%
- Prevent children in homeless families from entering into foster care, avoiding foster care costs of over \$8,000 per year per family
- Stimulate the economy by creating construction, property management and social services jobs

Here in CT, the evaluation of our first nine State-financed supportive housing projects found a 71% decrease in Medicaid inpatient service use among Medicaid-eligible tenants of supportive housing. And just last week, the Hartford Courant highlighted our FUSE initiative which has taken 30 people who have collectively cost the state more than \$12 million in jail and shelter use alone and placed them into supportive housing.

I am here today to ask that you continue your support of this proven approach. Supportive housing can be an essential part of controlling the public sector costs that government is concerned about. As an effective alternative to the high cost of homelessness, numerous studies have shown that people who had been living in emergency shelters or on the streets do stabilize in supportive housing—tenants are much less likely to cycle through expensive public sector systems—including emergency rooms, hospital inpatient units, and jails—and are able to return to work, and to make better use of preventive health care services. A multi-year evaluation in Connecticut showed a 70% reduction in use of expensive inpatient hospital resources, as well as consistent increases in tenants' income.

Even as our publicly administered housing subsidy programs are carrying wait lists of a year or more—so, too are our healthcare systems experiencing “gridlock” due to the growing and unmet demand for permanent, housing-based options. People who are waiting for service-enriched housing are in hospitals, they are backed up in residential treatment programs, and they are at risk of “timing out” of short term programs and winding up on the streets. They often face complex health and behavioral health problems but lack a coordinated system of care to successfully address them. This—coupled with a lack of stable housing—forces them through a revolving door of multiple, costly crisis and institutional settings such as emergency rooms, inpatient hospitalization, detox, and correctional facilities.

Take James for example.... James is 63, living in a shelter in Hartford and has been homeless since 2004. He would like to work but has a criminal history, is missing teeth, admits to alcohol abuse, has an inflamed liver and no permanent address. He knows that alcohol will probably kill him but he "drinks because (he feels) there's nothing to look forward to."

James has been on wait lists for subsidized housing since 2006 but does not expect to get in. The total amount of services that James reports to having used in the past year total a cost of more than \$116,000 in one year.

The most tragic part of James' story is that we actually know what it would take to help James.... Supportive housing! Yet, he continues to be homeless, on the steady and certain path toward premature death.

Many of us know others like James who are most in need or are extremely vulnerable. However, we have not had enough supportive housing in CT to ensure their access to safe, permanent, affordable housing.

Supportive housing works. It costs less than hospitalization—a one day hospital stay is more than \$1,000, versus less than \$100 for supportive housing. Individuals and families living in supportive housing show improved quality of life, better social ties, and more stable financial situation—all the ingredients for sustained independence and self-sufficiency. Now is the right time to continue to invest in supportive housing—as a much more effective use of the state's resources. Thank you for your time and your attention.

The funds proposed by the governor for rental assistance in supportive housing will ensure that our most vulnerable people are able to get on track to live healthy and productive lives.

CSH applauds Governor Malloy for his willingness to invest in forward thinking solutions that can not only save Connecticut money but also saves lives.